

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,)	Application No. NG-0020/PI-80
on its own motion, seeking to)	
conduct a review related to a)	
settlement agreement among the)	ORDER OPENING DOCKET AND
State of Nebraska, acting by and)	AUTHORIZING EXECUTION OF
through the Governor's Policy)	SETTLEMENT AGREEMENT
Research Office; the Nebraska)	
Public Service Commission; and)	
Kinder Morgan, Inc., a Kansas)	
corporation.)	Entered: April 6, 2004

BY THE COMMISSION:

On April 6, 2004, Kinder Morgan, Inc., filed with the Commission a proposed settlement agreement for litigation initiated by the Governor's Policy Research Office (GPRO) against Kinder Morgan in the Lancaster County District Court. The Commission is also a party to this litigation.

Representatives of the State and Kinder Morgan have met to negotiate a settlement, and the settlement agreement filed represents the efforts of interested parties to resolve the matter.

The settlement agreement is attached as Exhibit A. As a condition precedent to the obligation to perform under the Agreement, the Commission must consider and approve the agreement and tariff revisions attached to the agreement. In addition, the Commission must verify Kinder Morgan's litigation costs as described in the agreement to determine whether there is sufficient justification for agreeing to the settlement of such costs.

The Commission is of the opinion and finds that the Commission's Executive Director should execute the agreement. The Commission also authorizes the Executive Director to negotiate language in the agreement or the accompanying mutual release to clarify that any fees and expenses incurred or paid by Kinder Morgan in connection with the "P-0802 Litigation" and the "GPRO Litigation" beyond those "Recoverable P-0802 Expenses", as those terms are defined in the agreement, will not be sought by Kinder Morgan in a rate case. In addition, the Commission recognizes that minor changes to the agreement may be necessary prior to execution, and authorizes the Executive Director to execute the agreement provided no such changes are substantive. Further, the Commission finds that it should open a docket to consider the proposed tariff changes and verify

Kinder Morgan's litigation costs. Commission staff should conduct a review of Kinder Morgan's documented litigation costs, as described in Exhibit A.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Executive Director of the Commission is directed to execute the settlement agreement in Exhibit A, subject to modifications as described above.

IT IS FURTHER ORDERED that this docket is hereby opened, and shall be the repository for information collected in the Commission's evaluation of the settlement agreement as described above.

MADE AND ENTERED at Lincoln, Nebraska, this 6th day of April, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director